

Message Text

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ACTION EB-11

INFO OCT-01 AF-10 EUR-25 IO-14 ISO-00 NEA-10 INT-08 CIEP-02

FEA-02 COME-00 SPC-03 SAM-01 AID-20 NSC-10 RSC-01

TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00 DODE-00

INR-10 NSAE-00 PA-04 USIA-15 PRS-01 FTC-01 L-03 H-03

DRC-01 /187 W

----- 041265

R 261257Z FEB 74

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 6744

INFO AMEMBASSY BRUSSELS

USMISSION GENEVA

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GENEVA PASS AMBASSADOR VANCE

E.O. 11652: N/A

TAGS: ENRG, CG, US

SUBJECT: MOBUTU COMPROMISES ON PETROLEUM DISTRIBUTION

REF: KINSHASA 1311, MUNICH 220

1. SUMMARY. MOBUTU HAS NOTIFIED PETROLEUM DISTRIBUTING COMPANIES THAT HE IS READY TO STUDY POSSIBILITY OF THEIR PARTICIPATION IN STATE OIL DISTRIBUTION MONOPOLY "PETROZACYE". LOCAL MOBIL REP CONSIDERS THIS A MAJOR GOZ CONCESSION AND THAT POSSIBILITY EXISTS FOR COMPANIES TO CONTINUE OPERATIONS IN ZAIRE. END SUMMARY.

2. LOCAL MOBIL REP MAGGIAR TOLD ME FEB. 26 DIRECTOR GENERAL PETROZAIRE MPEYE CALLED MEETING IN PARIS FEB 20 OR 21 OF REPS OF FOUR MAJOR OIL DISTRIBUTING COMPANIES. ATTENDING WERE LEONARD (MOBIL), HUBERT (SHELL), LENTZ (PETROFINA).
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TEXACO APPARENTLY NOT REPRESENTED. MPEYE SAID PRESIDENT

MOBUTU IS READY TO STUDY THE POSSIBILITY OF THE PARTICIPATION OF THE PRESENT OIL DISTRIBUTION COMPANIES IN "PETROZAIRE". SHELL, MOBILE AND FINA REPS AGREED IN PRINCIPLE SUBJECT TO CONDITIONS TO BE DISCUSSED LATER.

3. MAGGIAR AND OTHER REPS REGARD ABOVE AS MAJOR CONCESSION ON MOBUTU'S PART. UNCLEAR JUST HOW PARTICIPATION WILL, IN FACT, BE WORKED OUT BUT UPSHOT APPEARS TO BE CONTINUED OPERATION OF MOBIL, TEXACO, SHELL AND FINA AS SEPARATE COMPANIES UNDER "PETROZAIRE" UMBRELLA. SINCE PETROZAIRE NOW EXISTS ONLY ON PAPER (KINSHASA 1311), THERE IS PRESENTLY NOTHING IN WHICH COMPANIES COULD PARTICIPATE. MAGGIAR SPECULATES PETROZAIRE MAY TAKE OVER FOUR COMPANIES' ASSETS AND THEN SELL BACK LESS THAN 50 PERCENT. ANOTHER POSSIBILITY WOULD BE TO LET COMPANIES CONTINUE AS THEY ARE WITH PETROZAIRE TAKING AMOUNT IN EXCESS OF 50 PERCENT OF PROFITS.

4. MAGGIAR BELIEVES COOPERATIVE ATTITUDE SHOWN BY MOBIL AND TEXACO HAVE HELPED CONTRIBUTE TO ABOVE DEVELOPMENT. ON FEB. 5 VBIL DISCHARGED 28,000 TON TANKER AT \$9.25 BARREL AS COMPARED WITH EARLIER PETROFINA TANKER PURCHASED AT \$12.00 A BARREL. MOBIL UNDERSTANDS GOZ-CHARTERED TANKER NOW LOADING REFINED PRODUCT AT ARZEU, ALGERIA.

5. COMMENT: WE ASSUME MOBUTU'S ARAB PILGRIMAGE HAS NOT BROUGHT TANGIBLE NEW RESULTS. THIS PLUS GULLION'S COMMENTS MUNICH 220 PROBABLY HELPED MOBUTU REALIZE HE HAS LITTLE OPTION BUT TO CONTINUE TO RELY ON OIL COMPANIES FOR THE PRESENT. FINA HAS NOW REVERSED FIELD, ABANDONING ITS EARLIER HARD LINE. DEPT MAY WISH INFORM TEXACO REP WILLIAM SEIBERT NOW AT CO, HQ AT CORAL GABLES, FLORIDA OF FOREGOING.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATIONALIZATION, PETROLEUM, PETROLEUM INDUSTRY, GOVERNMENT MONOPOLIES, PETROLEUM CONCESSIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KINSHA01748
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974029/aaaaaifo.tel
Line Count: 95
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: KINSHASA 1311, MUNICH 220
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2002 by elyme>; APPROVED <03 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MOBUTU COMPROMISES ON PETROLEUM DISTRIBUTION
TAGS: ENRG, CG, US, MOBIL, PETROZACYE, (MOBUTU)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005